**Impact of Devaluation on Imports of Steel**

1929. SHRI GAYA SINGH : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that after last devaluation of rupee, the import of steel industry in dollar terms has increased; and

(b) if so, what is the impact of the devaluation on the imports of Steel Industry during the year ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV) : (a) and (b) In the 15 months after the exchange rate adjustment in July 1991, the import of steel has decreased both in quantitative terms and in dolar terms as compared to the preceding 15 months.

**Prices of Pig Iron**

1930. SHRI P. UPENDRA :
SHRI CHIMANBHAI MEHTA :
SHRI SARDA MOHANTY :
SHRIMATI MIRA DAS :

Will the Minister of STEEL be pleased to state :

(a) what is the market price of local and imported pig iron inclusive of the Central Taxes; and

(b) what steps are being taken by Government to streamline the allocation of iron and steel to States including Gujarat ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV) : (a) In the month of November, 1992 the open market price of pig iron inclusive of taxes was ranging between Rs. 5900 to Rs. 6700 per tonne. The landed cost of imported pig iron was about Rs. 7200 per tonne.

(b) After deregulation of pricing and distribution of iron and steel w.e.f. 16th January, 1992, the requirement of only 5 sectors namely, Defence, Railways, Exporters of Engineering Goods, Small Scale Sector and North Eastern Region are being met on priority. The Development Commissioner for Iron and Steel (DCI&S) makes allocation of pig iron to the 5 designated priority sectors. He also allocates steel to Exporters of Engineering Goods, Small Scale Sector and the North Eastern Region. The requirements of the States including Gujarat are duly taken into account by the DCI&S in making allocations of pig iron and steel. The requirements of other consumers including the consumers in the states of Gujarat are met by main producers in accordance with their distribution guidelines.

**Setting up of Iron and Steel Plants by Private Entrepreneurs**

1931. SHRI SHIV PRATAP MISHRA : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that guidelines for entrepreneurs in Iron and Steel Industry have been issued for the setting up of iron and steel plants based on different processes in an attempt to attract private enterprise in the steel sector; and

(b) if so, the details thereof and the reaction of the entrepreneurs thereto ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV) : (a) and (b) A set of "Guidelines for Entrepreneurs in Iron and Steel Industry" were issued in October, 1992. The guidelines provide entrepreneurs in the iron and steel sector comprehensive information on the policy framework, demand projections, availability of essential raw materials, infrastructural facilities, possible locations, technological capabilities existing within the country, requirement of environmental clearance for iron and steel projects, etc. Entrepreneurs have evinced keen interest in these guidelines.

**Japanese offer for Modernisation of Indian Iron and Steel Company**

1932. CHOWDHRY HARI SINGH : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that the Japanese conglomerate MITSUI recently offered a credit of Rs. 3,000 crores to India for the modernisation of Indian Iron and Steel Company; and

(b) if so, what are the terms and conditions under which such a credit has been offered to India by the Japanese conglomerate MITUI ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV) : (a) and (b) M/s. MITSUI of Japan has evinced interest before the Committee of Experts (appointed by Government for exploring and making recommendations on possibilities of private participation in modernisation of IISCO's Burnpur Steel Plant) in partly financing cost of the modernisation scheme. Quantum of financing alongwith terms and conditions of the same will be known only when the final offer is submitted to the Committee.

***Losses suffered by Steel Plants***

1933. SHRI SATYA PRAKASH MALAVIYA : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that the SAIL and other Steel production units of the country are running in a heavy loss for the last three years;

(b) if so, the names of such steel plants under SAIL and what is the amount of total loss suffered by them during this period;

(c) what steps Government have taken/propose to take to prevent the future losses;

(d) whether Government have given any financial assistance to SAIL to cover its losses; and

(e) if so, the details in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV) : (a) and (b) No, Sir. SAIL and Tata Iron and Steel Company (TISCO) have not incurred losses in the last three years. These Companies have made profits as under, in these years :

(Rs. in crores)
(profit before Tax)

| Year | SAIL | TISCO |
|---|---|---|
| 1989-90 . . | 224.96 | 175.83 |
| 1990-91 . . | 248.26 | 238.13 |
| 1991-92 . . | 367.30 | 278.16 |

However, two subsidiaries of SAIL i.e. Indian Iron and Steel Company Limited (IISCO) and Visvesvaraya Iron and Steel Limited (VISL) had incurred losses as under, in the last three years.

(Rs. in crores)

| Year | IISCO | VISL |
|---|---|---|
| 1989-90 . . | 138.08 | 3.14* |
| 1990-91 . . | 133.55 | 1.50* |
| 1991-92 . . | 22.29 | 1.69 |

(* Before adjustment of extraordinary items.)

The financial year 1990-91 was the first year of operation of Visakhapatnam Steel Plant. The net loss for that year was Rs. 477.55 crores after providing interest of Rs. 192.13 crores and depreciation of Rs. 197.23 crores. For the year 1991-92, the net loss is Rs. 944.50 crores after providing interest of Rs. 436.81 crores and depreciation of Rs. 411.18 crores.

(c) The following measures to prevent the future losses are being taken :

(i) IISCO has been taken out of the purview of the price and distribution regulations of Joint Plant Committee vide Government notification dated 4-4-91. This has helped IISCO to improve its working results. Operation of the existing facilities at IISCO is also being optimised.

(ii) Modernisation of IISCO Burnpur Works with introduction of latest cost effective and energy efficient technology is under consideration and is expected to make IISCO viable.

(iii) In VISL, 500 Cubic Meter Blast Furnace for producing Hot Metal to reduce dependence on scarce electrical energy is being installed and two Ferro-Silicon Furnaces are being modernised.

(iv) In regard to VSP a proposal for restructuring the Capital base of the company is under consideration for improving its long-term viability.

(d) and (e) Do not arise.